



January 14, 2004

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**DANA M. SMITH**  
Executive Officer

**TO:** Local Agency Formation Commission

**FROM:** Executive Officer  
Senior Project Manager

**SUBJECT:** Consultant Contracts for Municipal Service Review  
Prototypes

Staff will be launching municipal service review ("MSR") prototypes in January and February for two focus areas:

1. Cities of Los Alamitos and Seal Beach and unincorporated communities of Rossmore and Sunset Beach
2. Cities of Orange and Villa Park and the City of Orange Sphere of Influence

A consistent MSR process and model will be used in both prototypes that will involve a stakeholder working group process. The purpose of the working groups will be to develop 20-year vision plans that set forth alternative plans, strategies, and solutions for the future regional governance, service, and infrastructure challenges of each focus area. The vision plans will then serve as a basis for LAFCO's nine required MSR determinations and any sphere of influence updates or amendments.

## Consultant Services Needed

Staff has worked with the Commission's MSR Oversight Committee to select consultants to help the stakeholder working groups fulfill their purpose and create a document at the end of the process that is valuable and usable for all stakeholders, including LAFCO. Those consultants will include: (1) a facilitator to run the meetings and guide the discussions of the stakeholder working groups, and (2) an engineering consulting firm to provide technical support for studying, analyzing, and making recommendations on specific water and sewer issues that are identified by the working groups within the focus areas. Staff is recommending that the Commission approve consultant contracts for these services as part of this report.

## Budget

To provide funding for necessary consultant services, the Commission set aside a \$100,000 MSR budget for the current fiscal year (FY 2003/04). A portion of consultant costs will be directly funded by LAFCO's MSR budget. A significant portion of consultant costs will also be borne by project applicants, particularly for the Orange/Villa Park/Orange SOI prototype. Consistent with LAFCO's *Schedule of Filing and Processing Fees* and past practices, LAFCO will be requesting a deposit from the City of Orange, as the applicant for the SOI update and MSR, to cover extraordinary costs for consultant services and other project tasks. Almost all direct and indirect costs in the Los Alamitos/Seal Beach/Rossmoor/Sunset Beach prototype, however, will likely be covered by LAFCO alone.

## Facilitator

One of the key outcomes of the stakeholder-driven MSR process will be to create high-level dialogue and collaborative discussions among the stakeholders that is normally politically difficult for agencies and the public to raise on their own. The facilitator will have the critical role of guiding and helping these discussions take place. The facilitator will also free up LAFCO staff to participate on the working group as a stakeholder member representing LAFCO's policies and interests.

### *Profile*

Sharon Browning of Sharon Browning & Associates has been selected to facilitate the meetings and discussions of the stakeholder working groups in both MSR prototypes. Ms. Browning has worked closely with LAFCO and provided valuable professional services on various projects in the past, including several of LAFCO's annual strategic planning sessions and various other proposals (e.g., Lake Forest SOI Community Task Force, Costa Mesa islands). She has an intimate knowledge and understanding of LAFCO's policies, practices, and goals and good working relationships with many of LAFCO's constituents and stakeholders.

Ms. Browning's many years of professional experience and reputable work around Orange County has also provided her an extensive knowledge of the various political, social, and economic issues that impact Orange County's local governments. This will serve as a great asset to the MSR prototypes and the stakeholder working groups.

### *Scope of Services*

A scope of services can be found in Exhibit "A" (Page 9) of the draft contract for Sharon Browning & Associates, attached to this report as Attachment 1. Ms. Browning's central role within the MSR process will be to facilitate and run the meetings of the stakeholder working groups for both prototypes. That role will involve many organizational and process-oriented tasks, including:

- ▶ Preparation of agenda and materials for stakeholder working group meetings.
- ▶ Assistance with meeting logistics and setup.
- ▶ Facilitation of working group meetings and consensus-building based on the meeting agenda and desired outcomes.
- ▶ Collaboration with LAFCO staff on the design and implementation of the overall MSR process.

### *Compensation*

The draft contract sets forth a total "not-to-exceed" amount of \$42,000 for professional services rendered by Sharon Browning & Associates. \$21,000 per MSR prototype has been set aside within LAFCO's overall MSR budget for Ms. Browning's services.

## Engineering Consultant

The MSR working group process is designed to encourage and maintain high-level dialogue about future governance, service, and infrastructure challenges based on accurate and reliable data and information, but without becoming overly immersed in data. To help maintain a balance, the working groups will assign specific data-driven tasks to technical advisory committees to study, analyze, and make recommendations. An outside engineering consulting firm will provide independent technical support to the working groups and advisory committees for utilities issues as specific water and sewer challenges are identified by the working groups for the prototype areas. The consulting firm will provide research and analysis of water and sewer systems, operations, governance, capacities, and finances.

### *Profile*

The Keith Companies ("TKC") has been selected to provide these services. TKC is a well-known and well-respected Irvine-based engineering firm that has and continues to provide consulting services for many large and complex development projects in Orange County. TKC is a fully integrated, multi-disciplined engineering and consulting services firm with specialized

departments in land planning, civil engineering, surveying, mapping, environmental services, and water and cultural resources. TKC also provides other types of engineering disciplines such as structural, mechanical, electrical, instrumentation, chemical/process, and control systems integration.

TKC has worked with LAFCO on several prior MSR tasks and has an intimate understanding of LAFCO's goals, policies, and mandates. Such prior tasks include the Phase One Countywide Stakeholder Interviews, development of the MSR process and model, and development of a draft five-year MSR implementation plan.

### *Scope of Services*

A scope of services can be found in Exhibit "A" (Pages 9 and 10) of the draft TKC contract, attached to this report as Attachment 2. The scope of the contract outlines two tiers or levels of services TKC will provide to LAFCO for the MSR prototypes.

#### 1. General Consulting Services

TKC will provide general consulting services to LAFCO and both prototypes' stakeholder working groups as specific water and sewer issues and challenges are identified by those working groups. Such general consulting services will include technical support and assistance to LAFCO and the working groups for the study and analysis of the governance, services, and infrastructure systems and challenges of the various water and sewer utilities within the focus areas, including operations and maintenance, finances, rate structures, facilities, and other factors and determinations set forth by Government Code Section 56430. General consulting services will be almost entirely funded by LAFCO's MSR budget.

#### 2. Utilities Study - Proposed East Orange Development

In addition to general consulting services, the scope also identifies a more focused role and task for TKC to conduct specific water and sewer utilities studies upon assignment of such studies by the stakeholder working groups. Such studies will be much larger in scope and cost than TKC's general consulting services and should be contemplated upfront within TKC's contract and scope. One such study the working group for the Orange/Villa Park/Orange SOI prototype may commission is a utilities study to review, analyze, and make recommendations on the existence of multiple water and sewer providers in the East Orange area. The Irvine Company is currently in the entitlement process with the City of Orange

for two large planned development projects in this East Orange section of the City's sphere of influence.

For this type of utilities study, TKC would be assigned to prepare and conduct a cost study that examines and quantifies the fiscal and operational costs and benefits of alternative and competing plans for the governance and delivery of water and sewer services to the pending development projects. Tasks that could be involved in such a study include:

- a. Define and establish a scope of study in consultation with the stakeholder working group and LAFCO.
- b. Facilitate and coordinate meetings of a technical advisory committee assigned by the stakeholder working group to assist in preparing and conducting the utilities study.
- c. Conduct a cost comparison analysis and prepare a written and oral report and presentation of the study's findings and conclusions for the stakeholder working group.

### *Compensation*

The draft contract sets forth a total "not-to-exceed" amount of \$75,000 for TKC's professional services. Of this amount, LAFCO's MSR budget sets aside \$25,000 for general consulting services by TKC which would be paid directly by LAFCO. The remaining \$50,000 of the contract would be made available for the water and sewer utilities studies described above. Such a study, however, would be extraordinary in scope and cost and would need to be funded by the project applicant. Staff will request a deposit from the City of Orange to cover the cost of a utilities study for the East Orange area.

## Recommendations

Staff recommends that the Commission:

1. Approve the contract for professional services with Sharon Browning & Associates for LAFCO's MSR prototypes (Attachment 1).
2. Approve the contract for professional services with The Keith Companies ("TKC") for LAFCO's MSR prototypes (Attachment 2).

Respectfully submitted,

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DANA M. SMITH

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KENNETH G. LEE

Attachments:

1. Consultant contract with Sharon Browning & Associates for MSR prototypes
2. Consultant contract with The Keith Companies for MSR prototypes